

FEDERAL MARITIME COMMISSION

DOCKET NO. 13-01

**UNITED LOGISTICS (LAX) INC. – POSSIBLE VIOLATIONS OF
SECTIONS 10(a)(1) AND 10(b)(2) OF THE SHIPPING ACT OF 1984**

CORRECTED NOTICE OF DEFAULT AND ORDER TO SHOW CAUSE

On January 25, 2013, the Commission commenced this proceeding by issuing an Order of Investigation and Hearing against respondent United Logistics (LAX) Inc. (“United Logistics”). Order of Investigation and Hearing (FMC Jan. 25, 2013). The Commission named the Bureau of Enforcement (“BOE”) as a party to the proceeding. *Id.* at 12. The Order of Investigation and Hearing alleges that United Logistics violated sections 10(a)(1) and 10(b)(2)(a) of the Shipping Act of 1984 (“Shipping Act”), 46 U.S.C. §§ 41102(a) and 41104(2)(a).

The Commission’s rules require that United Logistics file its answer or otherwise respond within twenty-five days after the date of service, or by February 19, 2013. *See* 46 C.F.R. § 502.63(b) (revised on Nov. 12, 2012). No answer has been filed to date. In addition, the parties were served an Initial Order on January 30, 2013, and an Order to Submit Status Report on March 19, 2013. United Logistics has not responded to either of these orders. In its status report, BOE states that United Logistics has failed to respond to discovery requests.

Pursuant to Commission Rules:

Failure of a respondent to file an answer to an Order of Investigation and Hearing within the time provided will be deemed to constitute a waiver of the respondent’s right to appear and contest the allegations in the Order of Investigation and Hearing and to authorize the presiding officer to enter a decision on default as provided for in 46 CFR 502.65. Well pleaded factual allegations in the Order of Investigation and Hearing not answered or addressed will be deemed to be admitted.

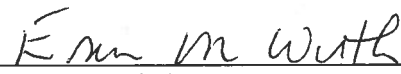
46 C.F.R. § 502.63(c)(4).

United Logistics is currently in default. There may be some valid reason why United Logistics has failed to respond. Therefore, it will be granted additional time to respond to the proceeding and to show cause why judgment should not be entered against it. If United Logistics fails to respond to this Order by April 30, 2013, a default decision may be entered against it, including civil penalties, tariff suspension, Ocean Transportation Intermediary license revocation, and a cease and desist order.

If United Logistics fails to respond, BOE should file a motion seeking a decision on default, including information showing service on respondent; evidence supporting its case (for example, the service contracts at issue and bills of lading or other information regarding the shipments at issue); an analysis of all of the relevant legal factors; specific penalties requested and the basis therefore; and a proposed order.

For the reasons stated above, it is hereby

ORDERED that on or before April 30, 2013, respondent United Logistics file its answer and show cause why a decision on default should not be entered against it. If United Logistics fails to respond, BOE should file a motion seeking a decision on default as discussed above.



Erin M. Wirth
Administrative Law Judge